



**Department of Workforce Services
and
Arkansas Workforce Investment Board Issuance PY 05-03**

From: Artee Williams, Director
Sandra Winston, Executive Director

Date: September 27, 2005

Re: Contract Approval Procedures

1. **Purpose:** To provide updated procedures for reviewing and approving DWS contracts.
2. **Information:** The attached Contract Approval Process document will replace previously established procedures in effect since 1989. Use of the new procedures began October 1, 2005.
3. **Action Required:** Please ensure that all employees are made aware of this information.
4. **For Additional Information:** Contact Roseleen Brown at (501) 682-3703/roseleen.brown@Arkansas.gov or Tracii Laettner at (501) 682-3707/tracii.laettner@Arkansas.gov.
5. **Attachment:** Contract Approval Process
6. **Expiration Date:** Continuing.

Department of Workforce Services Contract Approval Process

The purpose of the Contract Approval Process is to ensure that contracts/financial Agreements subject to the review process are reviewed by appropriate agency staff. This process will result in Legal and FMAS identifying potential problem areas and coordinating resolution of such with program staff. The Director will have the requisite information to assess the prudence of signing the contract.

Review Criteria

Budget Unit will review all financial agreements/contracts involving the provision of services by the agency whether such are programmatic or administrative in nature, which are not procurements requiring State Purchasing or DIS review. This review process does not apply to WIA/GAE awards.

Examples of financial agreements to be reviewed are:

1. TANF
2. Subcontracts from LWIA's for ESD services.
3. Dislocated Worker Rapid Response funds awarded by GAE to ESD Task Force Unit and all subcontracts initiated by Task Force Unit.

Examples of agreement/contracts that will not be subject to review are:

1. WIA awards to LWIA's.

Contract Review Responsibilities

Responsibility for the satisfactory completion of the review process is as follows:

Program Assistant Director

1. Initiates the contract review process by distributing the complete contract plus the Contract Approval/Signature Transmittal Form to Budget and Legal Units. Legal's review will be required for initial contracts and the renewal or modification of contracts. Review by Legal of the latter two is necessary only if, in the opinion of the Program Assistant Director, there are substantive new provisions that dictate Legal's review.
2. Identifies substantive new or revised provisions.

3. Ensures copies of Legal's comments are provided to Budget and Budget's comments are provided to Legal.
4. Addresses problematical areas identified by Legal and Budget.
5. Obtains Director's signature on contract.
6. Provides signed copy of contract to Budget.
7. Ensures that Budget has reviewed proposal and subsequent contract before obtaining final contract signatures.
8. Provides Budget and Legal units a total of three days of review time.

NOTE: Requests to review contracts in a day or less result in inadequate and cursory reviews and are strongly discouraged. Legal and Budget will discuss instances of insufficient review time with the responsible Assistant Director.

Budget

1. Determines if funding is adequate to perform duties itemized in the contract.
2. Completes budget portion of contract if requested by Program Assistant Director.
3. Reviews billing/payment and closeout procedures.
4. Notes problematical areas and discusses with Assistant Director or Assistant Director's representative.
5. Lists unresolved problematic provisions on Contract Approval/Signature Transmittal form.
6. Informs FMAS Assistant Director of unresolved problem area.
7. Completes State Clearinghouse forms as needed.
8. Ensures, as needed, other FMAS units' awareness of subsequent activities related to the contract.